

# County of Santa Clara

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## FOR IMMEDIATE RELEASE

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## **County to Hold Community Open Houses, Board Workshop in August for Fairgrounds Development** *County Executive to Recommend Development Team Sept. 9*

SAN JOSE, CALIF.--- At a County of Santa Clara Board of Supervisors public workshop on Aug. 26 at 10 a.m., County Executive Peter Kutas Jr. will announce the results of a year-long developer selection process for the Fairgrounds Development. The Board of Supervisors and public will receive a presentation from County Executive staff and Catellus Development Group, the recommended development team. Public participation is encouraged in this first opportunity for Board and public discussion on the proposed development before the formal public outreach process is initiated by the City of San Jose.

At the Board of Supervisors meeting on Sept. 9, Kutas is expected to recommend to the Board that the County enter into an Exclusive Negotiating Agreement (ENA) with Catellus. The Catellus development team emerged as the number one recommended developer in the County RFP process.

"I am happy to be able to recommend such a high quality team to the Board of Supervisors for their consideration," Kutas said. "Our staff looks forward to working with Catellus, the community and the City of San Jose to maximize revenues from the site while simultaneously creating new jobs and an exciting new neighborhood in San Jose to live, work and shop. This is a positive example of how the County and City can work successfully together to make that happen."

Catellus is a company of ProLogis, a \$40 billion global real estate owner, developer, and Fortune 500 company specializing in mixed-use master development. Catellus has more than 20 years of experience, developing several large-scale projects in the Bay Area including Mission Bay, Pacific Commons, Alameda Landing, East Bay Bridge and River Oaks (Santa Clara). They are currently building a major new, sustainable, mixed-use community on the 711-acre site of the former Austin municipal airport.

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Their development partners for the Fairgrounds are The Morley Brothers and The Riding Group, both local, well-known infill developers that recently and successfully completed the City entitlement process for the Hitachi Transit Village near Cottle Road and Highway 85 in San Jose.

The County will host two community Open Houses at the Fairgrounds prior to the Board of Supervisors Workshop on Aug. 26 to introduce the recommended developer to the community. The Open Houses will be held on Wednesday, Aug. 13, from 5-7 p.m., and Thursday, Aug. 21 from 5-7 p.m. Every half-hour there will be a brief presentation from staff, and there will be an opportunity at each presentation for questions from the community. Presentations will be given at 5:15 p.m., 5:45 p.m., 6:15 p.m. and 6:45 p.m. Catellus and City representatives will also be on hand to answer questions. The open house public meetings are a preview of the Aug. 26 Board Workshop and the formal community outreach program.

"I want to emphasize that this is just the beginning of the process," said Patrick Love, the County's Asset & Economic Development Director, who is heading up the Fairgrounds Development. "The County, City and Catellus will cooperate in an extensive public outreach process over the next eighteen months that will help define the specific project to be recommended for approval. There will be many opportunities for the community to help shape this new neighborhood and we welcome the input."

The County Fairgrounds Property ("Fairgrounds") is comprised of 150 acres of land, consisting of 136 acres for the Fairgrounds proper, located at 344 Tully Road in San Jose and also includes the 14 acres across the street from the Fairgrounds proper, known as the Fairgrounds Tully Road Parking Lot. The Fairgrounds proper is bounded on the north by Old Tully Road and Tully Road, on the west by Monterey Road, on the south by Umbarger Road, and on the east by Franklin School and existing residential development. The Tully Road Parking Lot is bounded on the south by Tully Road, on the east by Tenth Street, on the West by Seventh Street, and on the north by existing commercial and industrial uses.

The land has been owned continuously by the County since 1939, and has been used over the years for major community festivals, music concerts, the annual County Fair, trade and consumer shows, and related public uses. Prior to the County acquiring the property it was used for agricultural purposes.

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On March 27, 2007 and May 22, 2007, the Board of Supervisors directed the County Executive to initiate an RFQ/RFP process for the proposed development of the Fairgrounds. The Board direction was to conduct a developer selection process that would solicit proposals for the development of the Fairgrounds property for the following uses: housing, commercial development, mixed-use, and continued public use of part of the Fairgrounds.

The County initially qualified 17 potential development teams through the RFQ process, and then received six complete proposals in April 2008. After two rounds of intensive interviews, Catellus emerged from the RFP process as the unanimous choice of the five-member outside selection panel.

The next steps for the County will be the Aug. 26 Board workshop and the Sept. 9 recommendation for the ENA with the Catellus Team. The development team will then initiate the formal public outreach and entitlement processes with the City and County. Staff also will begin negotiation of a term sheet for Board approval. The term sheet would lead to a disposition and development agreement (DDA), and ultimately to a series of ground leases and purchase and sale agreements, contingent upon what is approved by the County and the City. If the entitlement and approval processes proceed as envisioned, development activities would begin at the Fairgrounds in 2011.

The public workshop will be held on Aug. 26 at 10 a.m. in the Board Chambers, 70 W. Hedding Street, San Jose.

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